

Case No. 22-10964 (MG)

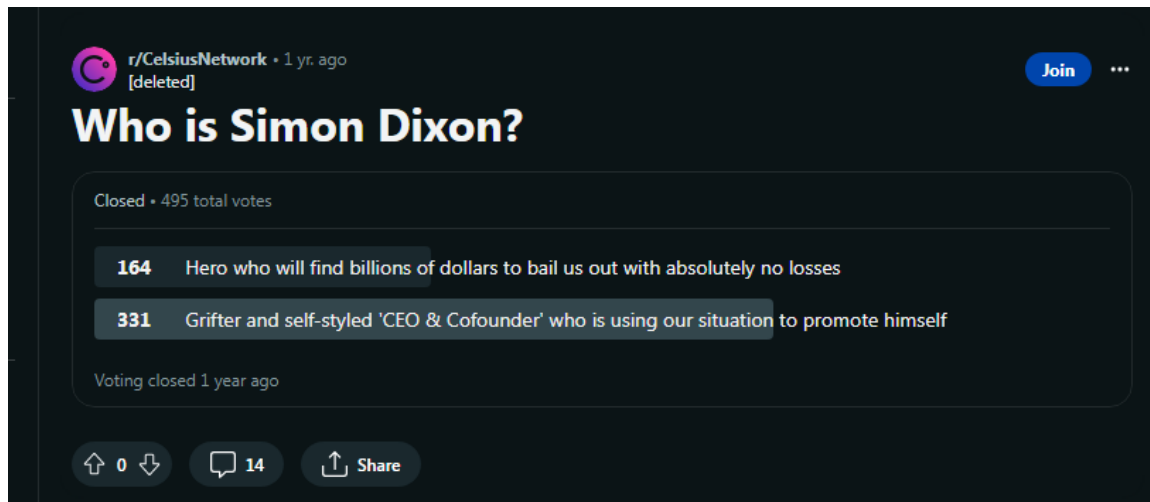
Re. Objection to Substantial Contribution Motion for BNK to the Future/Simon Dixon

Dear Chief Judge Glenn,

I am writing to object to the approval of the Substantial Contribution motion submitted by BNK to the Future/Simon Dixon, and argue that it should be denied **in full**.

I believe that it would be unfair to charge the Celsius estate for actions taken in the interest of another company, and for the self-interest of one individual.

It was only while scouring the internet to gain a fuller picture of Simon Dixon's involvement in the Celsius case that I first came across the term "grifter" (which I had not yet been familiar with), when I saw it used in relation to Simon, in a Celsius Network Reddit poll that asked "Who is Simon Dixon?" and returned a result of 66% of those polled choosing the option of "Grifter and self-styled 'CEO and Cofounder' who is using our situation to promote himself."



[https://www.reddit.com/r/CelsiusNetwork/comments/vkn7b8/who\\_is\\_simon\\_dixon/](https://www.reddit.com/r/CelsiusNetwork/comments/vkn7b8/who_is_simon_dixon/)

It was in looking up the term that I found a paper by Yale law student Lindsey Simon, warning of the prevalence of bankruptcy grifters in bankruptcy proceedings, defining grifters as those who "take advantage of situations, latching on to others for benefits that they do not deserve," and describing "bankruptcy grifters" as "act[ing] as parasites, receiving many of the substantive and procedural benefits of a host bankruptcy, but incurring only a fraction of the associated burdens," where, "[i]n exchange for the protections of bankruptcy, a debtor incurs the reputational cost and substantial scrutiny mandated by the bankruptcy process," while "[b]ankruptcy grifters do not."

([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3817530](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3817530))

I read through both of Simon Dixon's Substantial Contribution filings in full to get an accurate understanding of how he described his contributions, look at his actual submitted bids, see the submissions by those who supported him to see how they saw him and what they saw in him, and read through his Plan Consultation Agreement. At the same time, I also looked through BNK to the Future's website and affiliated pages, and a twitter feed full of tweets about BNK to the Future from its

customers, Celsius customers, and more to get a fuller understanding of BNK to the Future's operations and the impressions of general Celsius creditors, BNK to the Future customers, and more; read through Reddit threads and twitter feeds related to Simon, BNK to the Future, and Celsius; as well as read through press releases related to Simon in relation to Celsius, BNK to the Future, and other things that turned up during my investigations. I also read in full Lindsey Simon's paper, as well as two further law papers on bankruptcy proceedings, to better understand how they are taken advantage of both internally and externally. I did this to try to see a bigger picture than what might be gleaned in only looking at the situation from one perspective, or a few select sources.

What I found confirmed that Simon Dixon is the very definition of a grifter and bankruptcy grifter, having engaged in grifting even prior to the start of the bankruptcy proceedings, and transitioning to take advantage of Celsius's bankruptcy every step of the way thereafter, to benefit himself and his company, all the while portraying himself as a "[h]ero who will find billions of dollars to bail us out with absolutely no losses" to whomever he could convince, be it creditor, the media, or the general public.

The very fact that he even filed his Substantial Contribution under BNK to the Future rather than under his own name is just one example of how he used framing to disguise his self-interest. In looking into BNK to the Future, I discovered that the majority shareholders of BNK to the Future are Simon and his wife, Bliss Dixon, with the remaining held by various outside investors with minority shares. (The information I saw seems to have been taken down, so I will decline to confirm numbers, although I remember them as being 75% belonging to Simon and his wife, and 25% to everyone else.) And as Simon states in his initial Substantial Contribution submission, Simon had one personal account and two company accounts affiliated with BNK to the Future with Celsius, collectively representing claims of approximately \$20 million, with roughly \$16 million stemming from his personal account, all funded entirely with [his] own personal funds."

The money tied up in Celsius, though two were under the title of BNK to the Future, thus all were Simon's personal funds. showing that it has always been Simon's own funds that have been at stake and that he has been trying to recover, while using BNK to the Future's resources and legal counsel to do so, and being able to do so as a very large majority shareholder of his company, making it questionable that he has been fulfilling his fiduciary duty as his company's CEO to act in the interest of the company's shareholders, in using his company's resources to aid his own self-interest in the retrieval of his personal funds, and demonstrating that BNK to the Future and Simon can almost be tied interchangeably, as he showed when he invested his personal funds into Celsius under the name of his company.

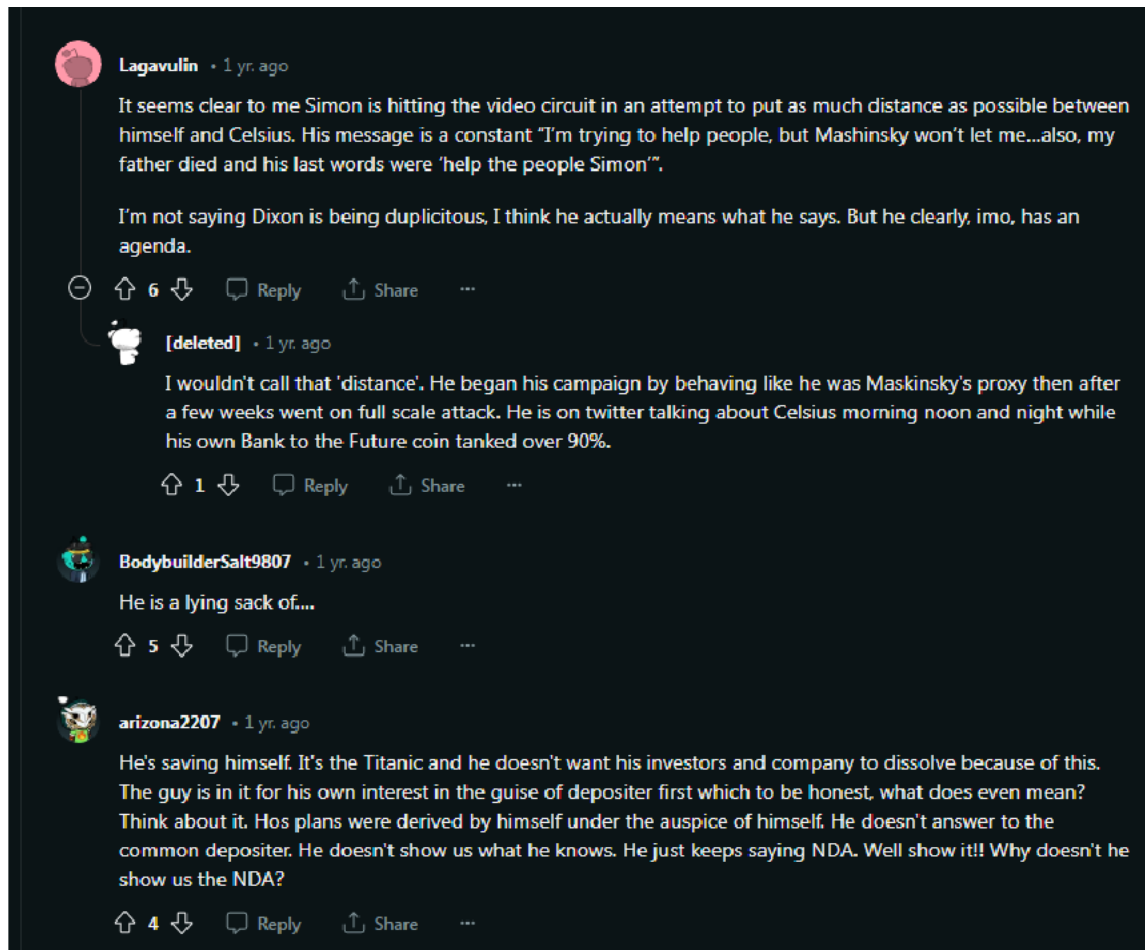
It is alarming that he was able to provide his company's legal teams as counsel to various Ad Hoc groups, committees, and debtors within the Celsius bankruptcy, when his company's lawyers had a fiduciary duty to act in the interests of BNK to the Future (but more probably in relation to Simon's direct interests), and it is even more alarming if this court allows him to bill such biased counsel to the Celsius estate, when, as I will go into, pretty much every measure he proposed and action he undertook and counsel he gave was in his own interest, while presenting it as being in the best interest of Celsius creditors.

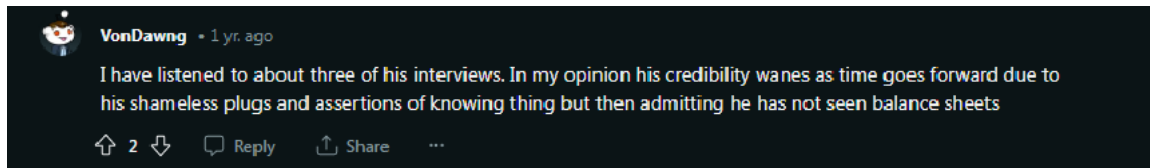
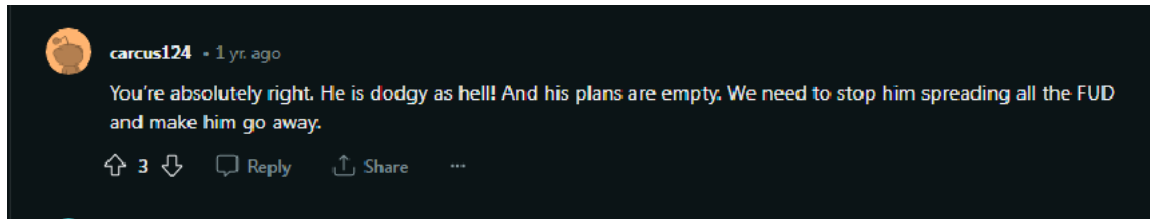
At every stage of the problems experienced by Celsius, Simon has used such situations to benefit his own self-interest, taking advantage of framing to use the lemons he found himself with to make lemonade out of the situation and advance his own interests.

As the face of BNK to the Future who had promoted Celsius to BNK to the Future customers and raised

\$170 million from them for the company, Simon faced a major hit to his company's credibility and his own credibility as the company's CEO and public face, and a blow to the company's public image for their part in promoting Celsius as an investment. To escape culpability and scrutiny for his role in bringing people in to invest with Celsius, Simon used the confusion surrounding Celsius's situation after its pausing of its customer withdrawals to create a public image of himself as an expert that he did not deserve, to transform what could have been a public relations disaster for him into the opportunity to reframe the situation, from one where he would take heat and blame from shareholding investors for promoting and providing the platform to invest in Celsius via BNK to the Future's Series A investment round, to one where he was a hero tirelessly fighting to save those involved. Rather than suffer public scrutiny to his company for his company's role in promoting the Celsius product, Simon chose to claim the role of victim, placing himself in the role of distressed investor and depositor, seeking to push the image of being for depositors first, and attempting to paint a black and white image of Alex as being the bad guy who tricked him and everybody, and himself as the "expert" with the solution to resolve what was going on, without actually knowing what was going on himself, and getting everyone to point the finger at Alex to keep them from laying blame on himself.

Creditors were skeptical:





[https://www.reddit.com/r/CelsiusNetwork/comments/vy6p8m/simons\\_incredibly\\_fidgety\\_behavior/](https://www.reddit.com/r/CelsiusNetwork/comments/vy6p8m/simons_incredibly_fidgety_behavior/)

Without knowing what was going on with Celsius, he outlined three proposals to save Celsius from bankruptcy that Celsiusians criticized for not providing enough information and detail about each item, while telling creditors to vote on the proposed few sentences he provided.

# We Have Three Proposals



**Proposal #1:** A restructuring to relaunch Celsius and allow depositors to benefit from any recovery through financial engineering.

This involves [risks](#) and full recovery of funds is not guaranteed.

**Proposal #2:** A pool of the most influential whales in Bitcoin to co-invest with the community.

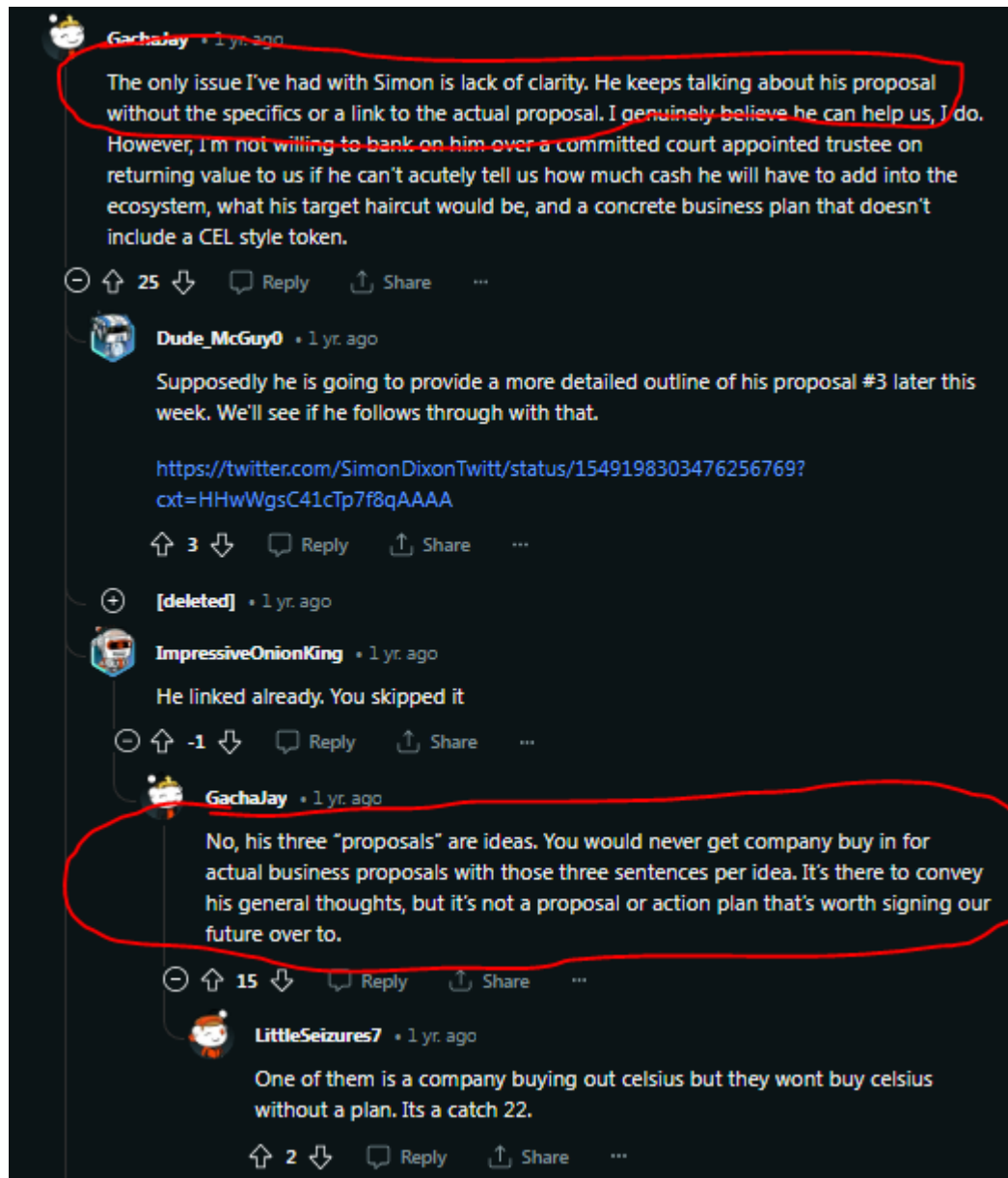
See the previous series A fund raise that we completed for Celsius [here](#).

We completed a similar disaster recovery offering for Bitfinex in 2016. See case study video [here](#).

**Proposal #3:** An operational plan that allows a new entity and team to rebuild and make depositors whole.

This involves [risks](#) and full recovery of funds is not guaranteed.

**To ensure your opinions are heard, use the following hashtag in all conversations...**



His outlined proposals gained him media coverage, though the article also acknowledged that "Celsius may [have had] its own solution," quoting from a blog post in which Celsius stated that it [was] working as fast as it [could] to stabilize its liquidity problems so that it [could] be "positioned to share more information with the community," and "while the firm did not reveal much about what this entail[ed], Celsius stated that it [was] exploring options to protect its assets such as pursuing strategic transactions as well as a restructuring of [its] liabilities, among other avenues," and further mentioned that, "These exhaustive explorations are complex and take time, but we want the community to know that our teams are working with experts from many different disciplines."

## Celsius may have its own solution

In a blog post on Friday, Celsius stated that it is working as fast as it can to stabilize its liquidity problems so that it can be "positioned to share more information with the community."

While the firm did not reveal much about what this entails, Celsius stated that it is exploring options to protect its assets such as pursuing strategic transactions as well as a restructuring of our liabilities, among other avenues.

"These exhaustive explorations are complex and take time, but we want the community to know that our teams are working with experts from many different disciplines," the blog post read.

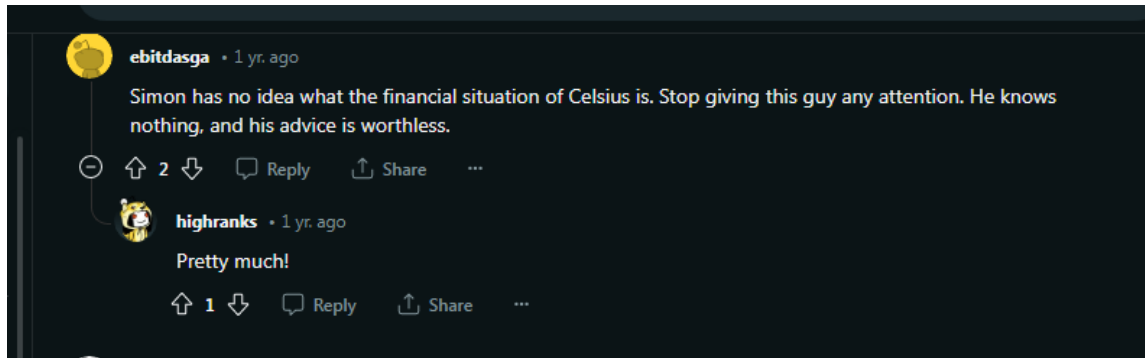
<https://cointelegraph.com/news/bnktothefuture-unveils-3-proposals-to-rescue-celsius-from-oblivion>

Though Simon didn't have solid knowledge of what was going on with Celsius himself, through his continued output of posts, proposals, videos, articles, and more -- presenting himself as a hero without actually having facts on which to base his advice -- he garnered attention from the media and social media outlets, allowing him to be covered in publications and invited for interviews to share his opinions, despite not being a true representative that was actually qualified to speak on the subjects he talked about.

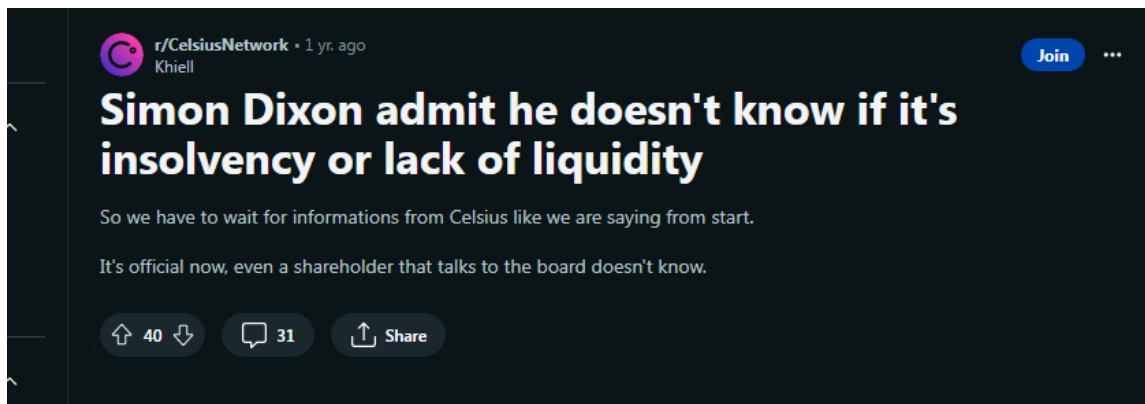
He distanced himself from his responsibility to his own investors through constant questioning and speculation over what was going on with Celsius, and the creation of proposed plans based on his conjectures and speculations, without having adequate, conclusive evidence to support what he put out to the media and distressed Celsiusians as what was really going on, and through presenting himself as the go-to person regarding what was going on, despite being as in-the-dark about Celsius's financial status and situation as every else outside of Celsius's employee base was. He pitched "proposals" of only a few sentences each, and never went into further detail on them afterward, using the opportunity to gain coverage on such sites as cointelegraph and yahooneews, and not following through with providing further details, and totally ignoring what was going on on Celsius's end, while the news agencies had to dig on their own to see that Celsius was in fact working on its own solutions to fix its liquidity issues. It's worth noting that creditors were able to see in real-time Alex paying off loans and retrieving collateral in the period leading up to the Chapter 11 filing, and still paying customers' weekly interest during this period, clearly working toward a plan of its own, while Simon used the period to share his alleged assumptions about what was going on with Celsius, and using the opportunity to establish relationships with online channels, and front as being a voice for Celsiusians, and a credible source.

Creditors acknowledged:





He even finally admitted, after submitting proposal after proposal that:



[https://www.reddit.com/r/CelsiusNetwork/comments/vod7c8/simon\\_dixon\\_admit\\_he\\_doesnt\\_know\\_if\\_its/?rdt=45764](https://www.reddit.com/r/CelsiusNetwork/comments/vod7c8/simon_dixon_admit_he_doesnt_know_if_its/?rdt=45764)

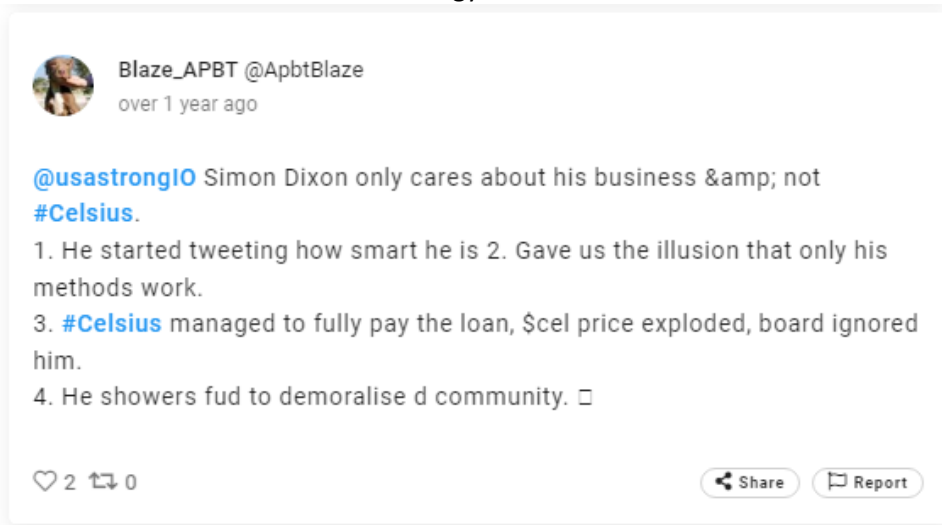
His growing presence in the media gained him false credibility and followers in the Celsius community, though others recognized him as "an opportunist using the Celsius situation to boost his following so he [could] gain credibility in shilling banktothefuture."



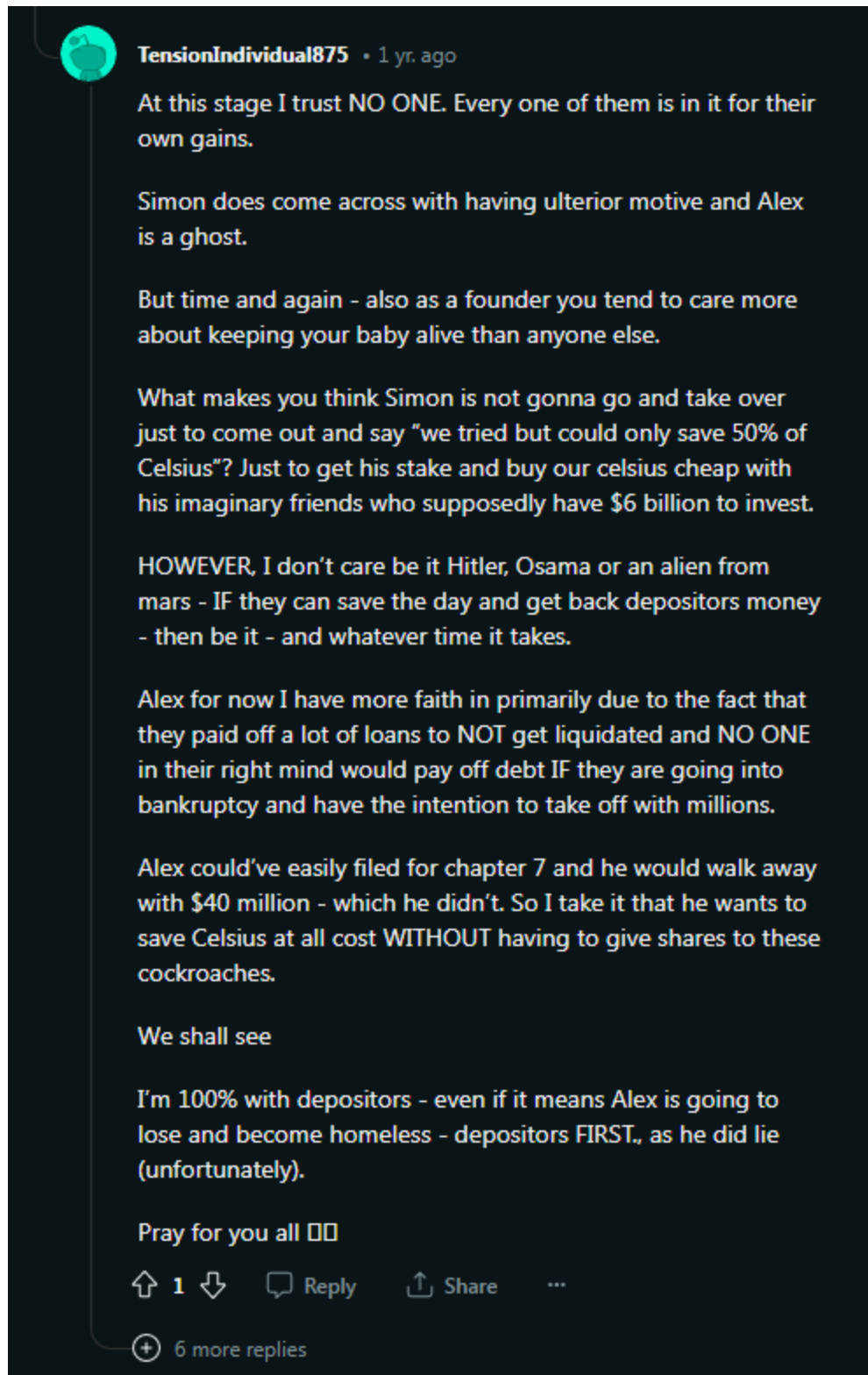


[https://www.reddit.com/r/CelsiusNetwork/comments/vsu0s2/simon\\_dixon\\_this\\_simon\\_dixon\\_that/](https://www.reddit.com/r/CelsiusNetwork/comments/vsu0s2/simon_dixon_this_simon_dixon_that/)

One creditor on twitter broke down his strategy as follows:



One creditor pointed out that



Alex's attempt to restructure the company through filing for Chapter 11 never had a chance to pan out so that creditors could actually witness and experience for themselves what Alex had been working on, due to Simon's unceasing calling out of Alex and his team as bad actors, which in large part contributed

to Alex being forced to step down as Celsius's CEO, which left the case with people and counsel inexperienced in restructurings of the kind Alex had planned, and allowing Simon to again present himself as having the expertise to take creditors out of bankruptcy and make depositors whole through his experience with working with crypto ventures through BNK to the Future, when Alex already had a plan that some creditors argue would have likely taken us out of Chapter 11 a long time ago, not as creditors forced to accept scrap percentages of our investments and equity in an uncertain Newco, but as the revamped new entity Alex had been trying to rebuild Celsius into. One might argue that, without Simon's interference in Celsius's initial attempt at restructuring, we would have been able to see for ourselves if Alex had a better plan, and potentially recovered more and greater value as a result, but we will never know or be able to explore that option now, thanks to Simon's self-motivated blocking of Alex's attempts.

With Alex and former Celsius heads out of the way, Simon profited from the bankruptcy proceedings to gain publicity for himself and his company by continuing to use the high-profile nature of the Celsius case to insert himself into the news as an expert on the case, taking advantage of Alex's silence to put forth any conjectures he wanted, knowing Alex was kept by his lawyers from responding, and then keeping up the expert act by making unofficial updates regarding what was going on with Celsius, while filling his videos with promotion for his company and its various products and services.

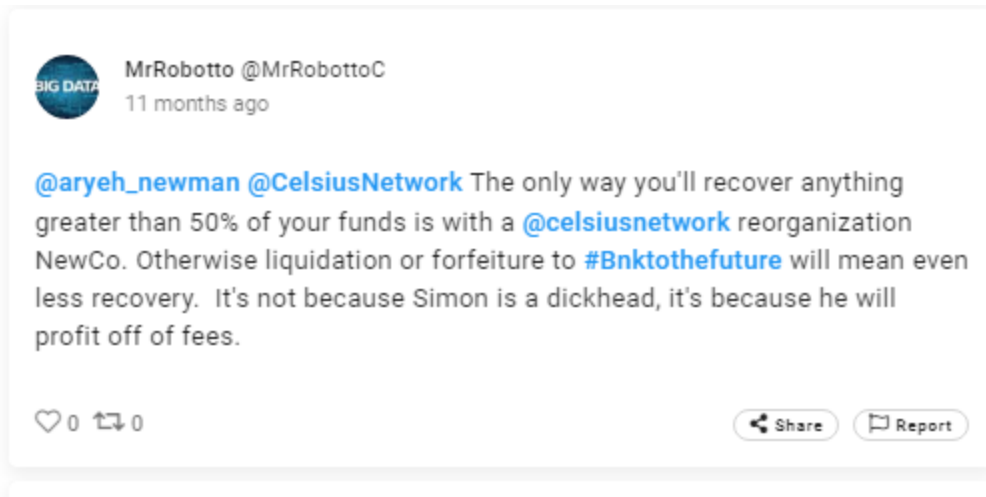
As the company's CEO and public face, he turned a situation that might otherwise have been a public relations disaster for his company and his credibility as its CEO and its face into opportunities to build BNK to the Future's sign-ups and prospective customer base, increase sign-ups to his mailing list and YouTube subscriptions, profit from the high-profile nature of Celsius to gain publicity and expert-status for his company and himself, and gain favourable terms for his claim, and favourable positions to influence the direction of Newco -- opportunities he wouldn't have had outside of the situation he found himself in.

At every stage of this bankruptcy, and even prior to its entrance, Simon seemed to have been trying to find ways to create opportunities for BNK to the Future to benefit from the situation, while framing it as being in Celsius creditors' benefit.

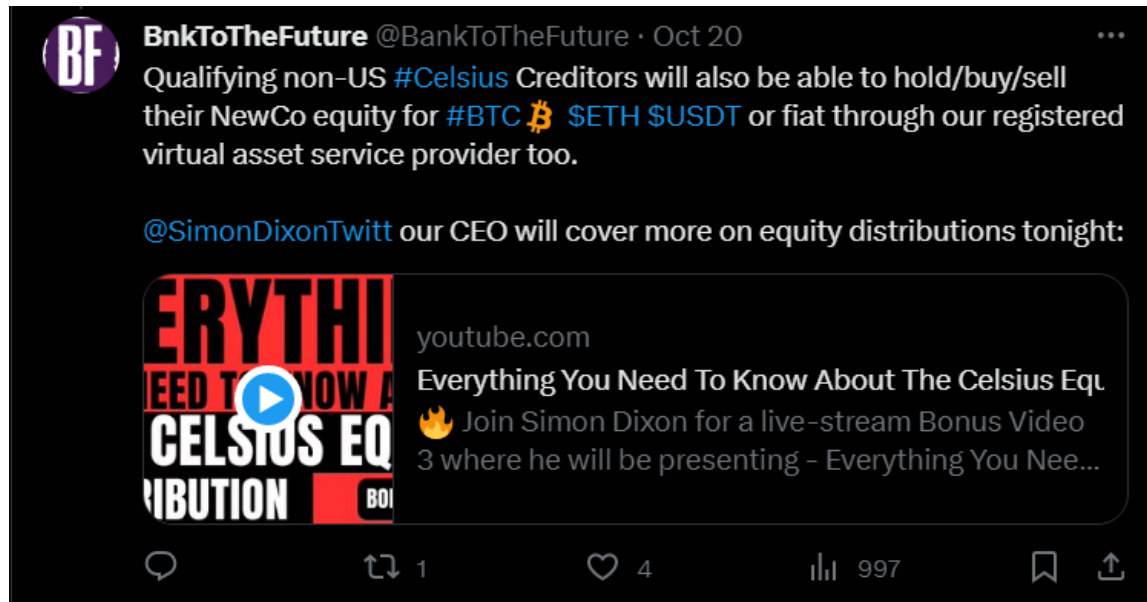
For example, BNK to the Future's bid to buy GK8 involved using *creditor* money to repurchase the company, alleging that this would benefit creditors, and giving BNK to the Future access to all of Celsius's creditors, and forcing them onto BNK to the Future's platform to enable creditors to receive shares of the company that they never discussed or agreed to purchasing, and then forcing them to pay BNK to the Future's fees to sell or trade the shares they never asked to hold.

This bid would have actually forced creditors to spend estate money buying a company it already owned, to the enrichment of BNK to the Future through the fees it would get from transactions made to sell or trade the shares, and future transactions with BNK to the Future with regard to needing to pay to withdraw the funds or reinvest in Simon's platform. Moreover, it would have forced the onboarding of all Celsius creditors onto the BNK to the Future platform to try to retrieve funds for a purchase no creditor agreed to. Time and expenses had to be wasted reviewing this self-serving bid, while it was presented as creating more value for creditors.

The ability of BNK to the Future to profit from fees was even recognized by someone neutral to Simon's behaviours:



Indeed, BNK to the Future even sought to benefit from Newco by providing its platform as a means of allowing creditors to hold/buy/sell their NewCo equity.



Simon Dixon's BNK to the Future submission should be denied in full, as the actions that he took that were purported to benefit the estate were primarily done to benefit Simon and BNK to the Future, while being presented as being done for creditors.

While Simon had a fiduciary responsibility to his own investors and those he had led to partake in the financing rounds, he instead left his Series A investors to suffer a total loss, while he chose to portray himself as a savior for depositors, for whom he had no fiduciary duty, because it was through this avenue that he could win public support and give the APPEARANCE of taking responsibility, while not helping any of the individuals invested through his own company. Instead of taking care of his existing customers, he instead sought to woo and obtain new customers through Celsius's user-base, while also

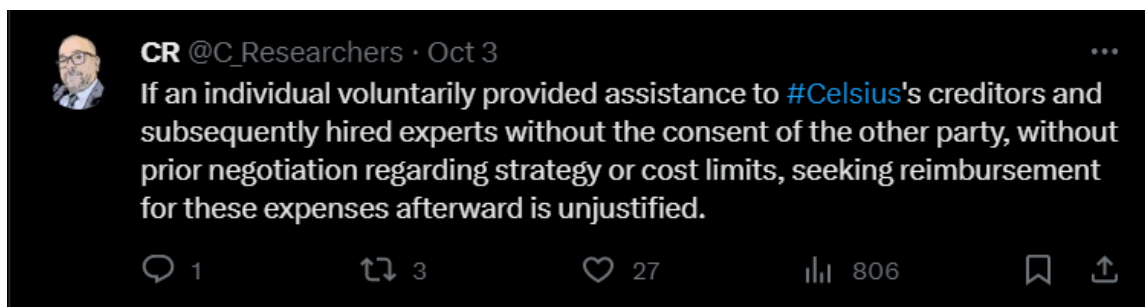
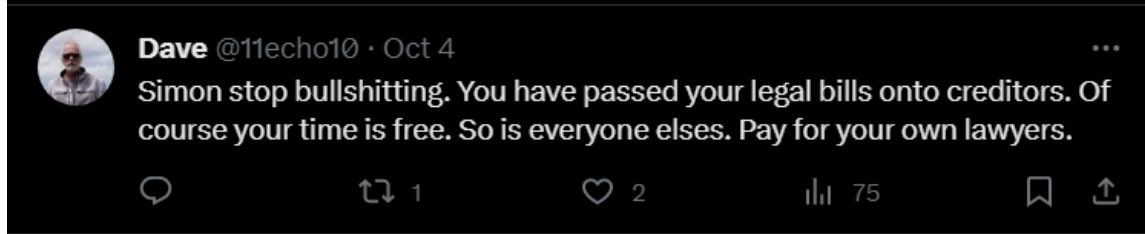
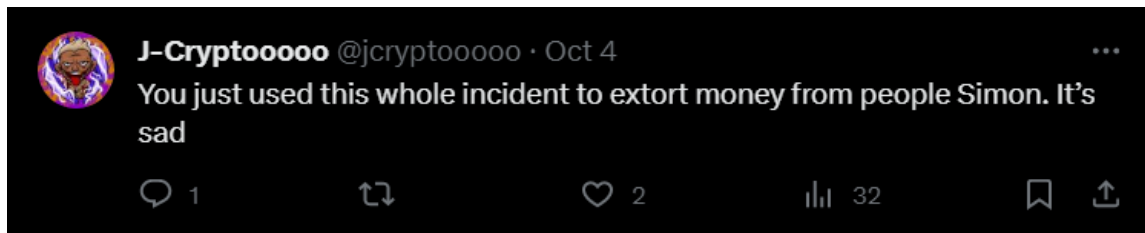
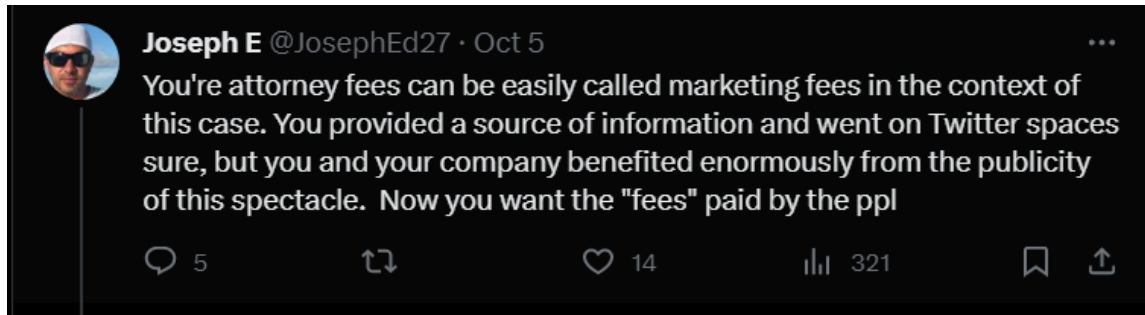
taking advantage of the high-profile nature of the case to build publicity for BNK to the Future via various media.

Indeed, as many creditors complained, his videos would promise to speak on a subject, only to vaguely address it and mostly go on to promote his own company, and promote signing up for his mailing list, joining his subscribers, and more.



Throughout the bankruptcy, Simon and his company have promoted various actions to Celsius customers that have had the byproduct of signups to the BNK to the Future platform and mailing list, and sharing of creditors' information, personal emails, and information with the company -- what many companies pay big money for, gotten by BNK to the Future for "free," and probably in many cases given unwittingly by Celsius customers simply wanting to participate in such systems apparently built to

benefit them, while used in a way not disclosed to them. Simon/BNK to the Future's substantial contribution submission itself is an example of Simon's level of deception, as, following Simon's submission, even many of Simon's supporters felt rug-pulled, having been under the impression that Simon financed all of the legal services he engaged and made available to creditors out-of-pocket, with many angry outcries about the false portrayals.



**Misty Swamp** @mistyswamp · Oct 5  
@SimonDixonTwitt to now think that charging the estate at a time like this after you claimed to be so selflessly helping it is a disgrace.

 1   1  829  

**Simon Dixon**  @SimonDixonTwitt · Oct 5  
I'll share why I disagree with you on Friday.  
  
Did you read my declaration?  
  
[cases.stretto.com/public/x191/11...](https://cases.stretto.com/public/x191/11...)

 4   5  746  

**CEO da Galera**   @CeoNovo · Oct 6  
Simon in Brazil we say, what is agreed is never expensive. And here lies the issue: this was never agreed beforehand.

 1   1  39  

**Simon Dixon**  @SimonDixonTwitt · Oct 6  
I'll help you understand more tonight as many don't have the correct information.



youtube.com  
Celsius Confirmation & Sub Con Hearing Up  
The topics that Simon Dixon will discuss during the live-stream for this Bonus Vide...

 3   1  38  

**Misty Swamp** @mistyswamp · Oct 6  
Like i said, i look forward to you justifying not being transparent and unethical in your hand out moment. Which can only be described as laughable and a complete U turn from everything you have claimed. I also have an issue with your lack of balanced help for borrowers.

    16  

13/11/2023 6:38:08 PM  
<https://x.com/mistyswamp/status/1709886165711516026?s=20>



Another example of Simon's deception was the system created by BNK to the Future to allow people to log their claims. Creditors were initially told they could use it to display their Chapter 11 claims and in the future use it to "be able to have a voice in the major crypto Chapter 11 processes." In order to use these features, Celsius creditors were required to create an account with BNK to the Future, and in order to pledge their claims, Celsius had to opt in to signing up for Simon's newsletter.

**SIMON DIXON**  
BitcoinHardTalk Home About Blog Contact Sign In

## Step 2: Pledge Your Support By Completing The Form Below

Name

Email

USD Value Of Celsius Claim (see the section below this form - how to calculate your USD Celsius claim)

Type Of Claim  
Earn

Whether you are willing to provide your information to the EARN or LOAN Ad-HOC  
Earn Ad-Hoc Only

Represent my claim as support to the initiative  
Yes

I Prefer  
Reorg

Country

**Submit**

By submitting this form, you consent to being added to Simon Dixon's Newsletter mailing list (specifically for Celsius Creditors).

Simon launched the pledging feature purportedly in support of an Earn Ad-Hoc Committee's Reservation of Rights, when, in reality, he used it to demonstrate to the Debtors and the UCC the influence that he had as an individual in getting Celsius customers to follow his direction (gained through all the publicity he had gained through his public relations efforts associated with his grifting from the Celsius situation up until this point), which he used as leverage to gain a Board Observer seat for himself, as well as the UCC's support of his getting Substantial Contribution money for his power to influence creditors to vote "yes" that his manipulation of the situation was able to bring him.

It is unfair to creditors that some important items in the posted Reservation of Rights that creditors had pledged their claims for were not pushed for or received, such as "The lack of detail about the \$2B claim against FTX," in order to receive the Board Observer seats prioritized by Simon.

And one, including myself, might also argue that the estate was harmed in that, the UCC, prioritizing its necessity to have the plan approved by giving Simon what he wanted, chose to depose of Michael Arrington as an actual Board member, rather than simply deny Simon a Board Observer position. The Earn group's Reservation of Rights made no stipulation that Simon need be offered a board position, and the fact that he did not offer to step down in response to Arrington's disapproval attests to his personal use of the system he purportedly set up to address the groups' interests. Arrington made it clear in his farewell tweet that he had no issue with the other two Board Observers chosen, and it might be ascertained that he may have been okay with having a different creditor placed in an Observer role to replace Simon, but Simon's power to wield the technology his company created was evident, and the allocation of estate funds to fund such manipulative, grifting behaviour should be disallowed despite the UCC's endorsement, as it sets a precedent for allowing such self-serving behaviours to be engaged in in future bankruptcies.

It is not promising that the UCC is endorsing payment to Simon for his help in "negotiating" the Plan Support Agreement and the Board Observer Agreements, when, during their "negotiations," Simon did not even keep to the terms laid out in the Reservation of Rights that the negotiations were allegedly about fighting for, and the power that Simon was already able to wield over the UCC and the Newco board to obtain his desired terms, over Michael Arrington who should have had a stronger say than he did in the matter, points to what happens when those involved in court proceedings yield to grifters.

Simon should not have been allowed to abuse what people pledged to benefit the group as leverage to obtain a Board Observer seat for himself, at the expense of the resignation of Michael Arrington, whose wealth of experience far surpassed Simon's in what he could bring to Newco, and who was actually **chosen** to help lead Newco. Had Newco panned out to operate as planned, the Celsius estate may have lost a great mind who might have made all the difference in making the company great and profitable.

Moreover, another benefit that Simon might have potentially attained, whether incidentally or by design, was a third party release attached to being a director or officer of Newco, as it was never specified if a Board Observer would count as a Newco officer or director, but may have been implied. Bankruptcy grifters obtaining third party releases for themselves while not deserving them is one of the greatest dangers Lindsey Simon warned of in her "Bankruptcy Grifters" paper, and Simon may have come close to attaining one for himself, were it not for the US Trustee addressing this at the Closing Hearing and stating that Newco should be taken off the list of released parties, such that the possibility for potentially grifting a third party release in this manner hopefully no longer exists.

Conveniently, BNK to the Future applied for and obtained approval to offer its service as a platform to trade company shares on, again seeking to use all circumstances of the bankruptcy to increase its customer base and use of its services (and the increased income through the fees it would be able to charge through this).

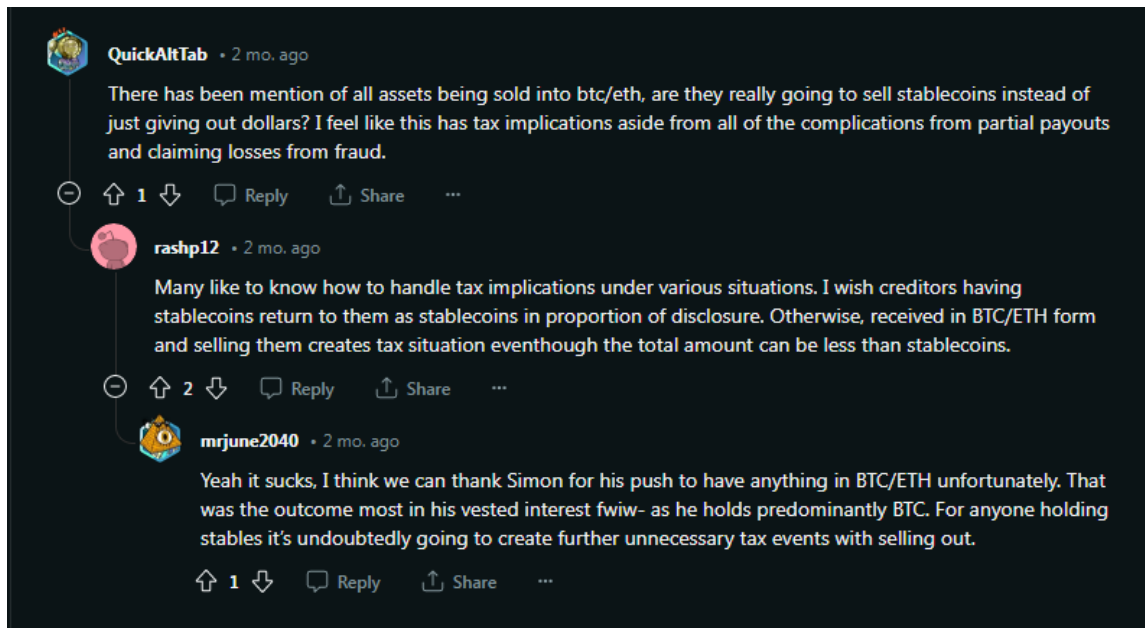
Simon's proposed strategy for restructuring Celsius was also filled with terms in his self-interest.

on the cheap. The plan included the following key elements:

- a. A strategy for distributing cryptocurrencies in ETH and BTC only, excluding CEL or other crypto that regulators might classify as securities, to prevent objections from the SEC. CEL was attributed a value of \$0.81, excusing those involved in market manipulation, to prevent delays in exiting Chapter 11 due to litigation.
- b. Consolidating all illiquid assets into a NewCo entity ("NewCo"), wholly owned by creditors, with a diversified business portfolio encompassing Proof-of-Work Bitcoin Mining, Proof-of-Stake Staking, solutions for loans, and equity in a securities and lending business, enabling creditors to buy and sell NewCo shares and benefit from the growth of both NewCo and the sponsor, removing any conflicts between sponsor and NewCo.
- c. The establishment of a litigation trust to pursue claims related to bad loans and other legal actions.
- d. The facilitation of crypto and equity swaps to align those seeking more equity with those desiring more cryptocurrency, promoting a tax-efficient solution for loans.
- e. A rights issue to creditors rather than a forced investment in order to prevent (i) excessive selling pressure from shareholders who did not want the equity and (ii) providing a way to match buyers and sellers.

<file:///J:/Celsius%20Case/objection%202/Dixon%20Declaration.pdf>

As a Bitcoin maximalist with holdings made up almost entirely of BTC and ETH, and whose platform recently started staking ETH, it's no wonder he proposed distributing cryptocurrencies in ETH and BTC only, citing that it would prevent objections from the SEC, while failing to cite the drawbacks to holders of coins outside of BTC and ETH. Even stablecoin holders acknowledged the burdensome tax implications, and how it was Simon's most vested interest to have all coins converted to BTC and ETH.




[https://www.reddit.com/r/CelsiusNetwork/comments/15vyrkt/aaron\\_bennett\\_covers\\_the\\_latest disclosure/](https://www.reddit.com/r/CelsiusNetwork/comments/15vyrkt/aaron_bennett_covers_the_latest_disclosure/)

As well, the recent ruling of XRP as not a security opens up the possibility that other alt coins may have also received a similar ruling, which many creditors would like myself would have been willing to wait for in exchange for having our coins returned in-kind.

It's funny how in item d, Simon cites the facilitation of crypto and equity swaps as promoting a tax-efficient solution for loans, when such a "solution" is not tax-efficient at all, since it is still based on receiving one's crypto in BTC and ETH only, forcing the sale of all other coins, and requiring the tax consequences, conversions, and burdens that come with the trading of one cryptocurrency from one kind to another.

Item B allowed Simon to try to be able to submit a bid to acquire Celsius (which Alex had said had been his intention all along), as well as purchase Celsius's mining rigs for use in his other projects. Though he did not identify a mining partner in his bid, his numerous twitter posts showing his trips to El Salvador to advance and promote his company's venture to establish Bitcoin mining in El Salvador, which only in October opened itself to looking to acquire actual mining rigs, lends insight into what he might have intended to use Celsius's rigs for, had he been awarded the bid. When his own bid failed, he introduced the idea of using a Stalking Horse competition to have companies submit competing bids, and it is likely that he also introduced this to push his own interests, as the final bid that was accepted ended up closely mirroring his own, reflecting how he used the procedure he had introduced to ultimately end up with the structure he wanted initially for Newco. It's possible that his push for a Board Observer seat was in part to ensure that he would hold continuing influence over Newco's direction, having already helped set in place the structure he wanted for it, which might help explain Arrington's decision to resign rather than having to continue to work with Simon.

Simon's introduction of the Stalking Horse bid resulted in the prolongation of arriving at a conclusion to Celsius's Chapter 11 settlement by months, interfering with something that could have been concluded swiftly, had Simon not insisted that it would produce better results for creditors. This self-interested suggestion resulted in months worth of legal fees, that in hindsight were even more wasteful than thought by creditors initially, with the recent decision to convert Newco into a mining-only company, following challenges from the SEC, making one wonder if the months of negotiation over Newco's bid terms were worth it.

 **r/CelsiusNetwork** • 9 mo. ago  
Dude\_McGuy0

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**Correct me if I'm wrong, but isn't the NovaWulf plan more or less the same plan that Simon Dixon proposed like 8 months ago?**





Reorganization of Celsius accounts/assets into a regulatory compliant company that attempts to "fill the hole over time" by distributing an equity token to Creditors.


Isn't this exactly what Dixon wanted to do months ago? It's just that they went with different company's bid instead of his.

It seems to me that the only reason it took so long to get to this point was because the lawyers had to entertain all of Mashinsky's and his cronies' stupid recovery ideas for months ("Mining can fill the hole") when realistically there were only ever 2 options on the table (takeover by another company or fire sale liquidation).





And the lawyers were happy to explore all those dead end ideas because it meant they kept getting paid millions the longer it dragged out. Only now that the UCC put its foot down on no longer extending exclusivity they suddenly have a plan ready to go that looks 90% the same as Dixon's Youtube presentation from the summer.

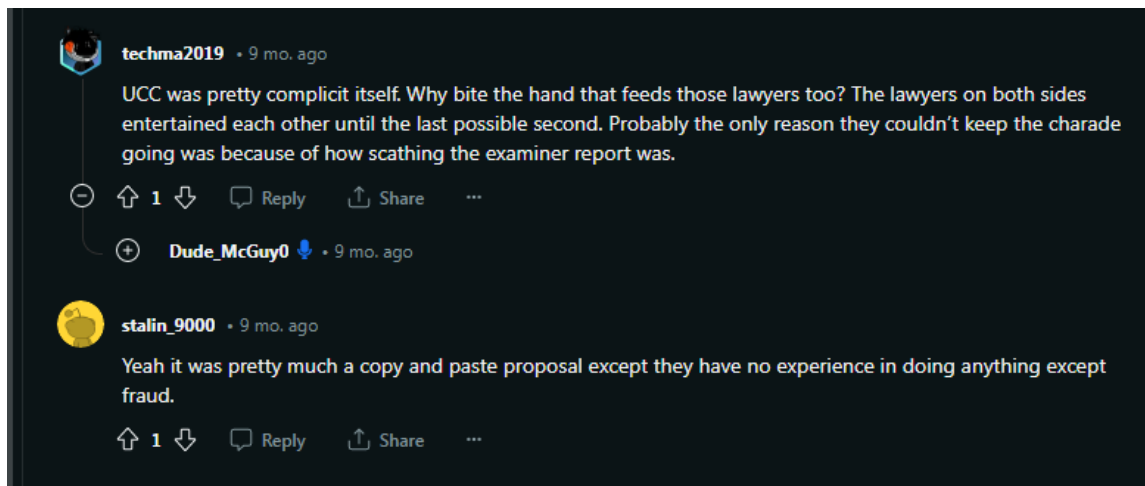
This process has been pathetic.

 69   32  Share

 **Scat\_fiend** • 9 mo. ago

Yep pretty much. Stall as long as possible and then when the judge finally says no, oh look we do have a plan after all, sorry not sorry for wasting everyone's time and money.

 2   Reply  Share ...

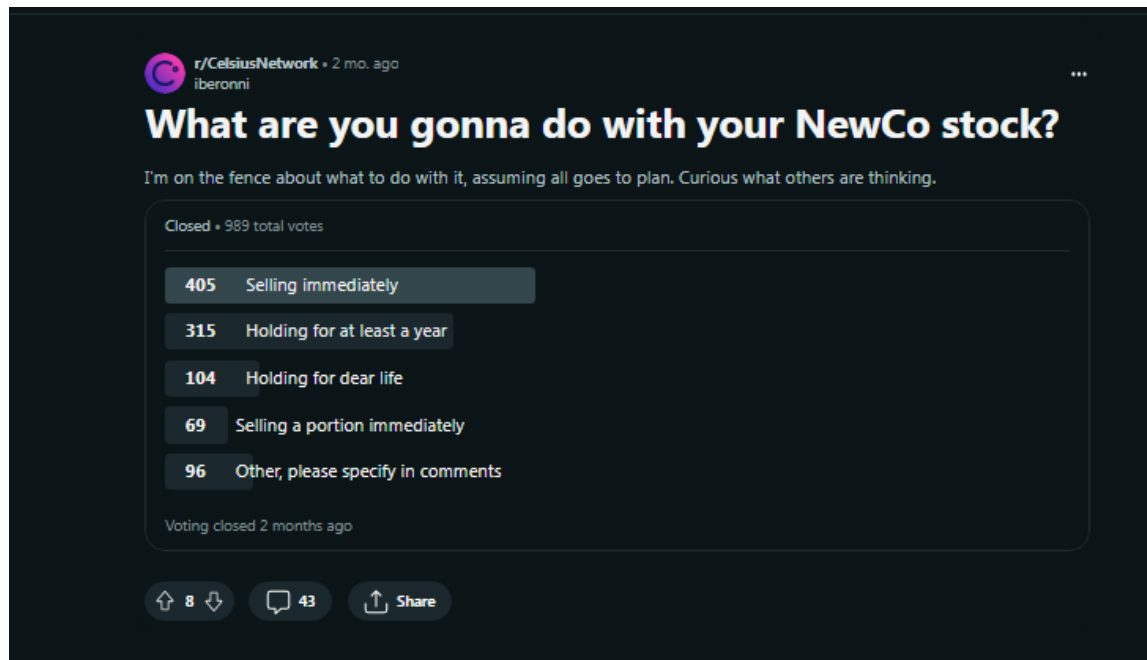


[https://www.reddit.com/r/CelsiusNetwork/comments/1136lbu/correct\\_me\\_if\\_im\\_wrong\\_but\\_isnt\\_the\\_novawulf\\_plan/](https://www.reddit.com/r/CelsiusNetwork/comments/1136lbu/correct_me_if_im_wrong_but_isnt_the_novawulf_plan/)

Lastly, the establishment of the Litigation Trust Simon proposed was another case of applying to everyone else but not him, as he chose to not opt in to this option, which was later shown to have had its terms altered in subsequent plan supplements to funnel some of its winnings directly to Newco instead of to creditors, though it was thankfully caught and brought to attention and disputed, but might have been to the detriment of creditors, rather than being in their interests, as was initially presented. Simon retained his ability to litigate on his own terms, due to his ability to afford to do so, while most other creditors had to give that right up in order to be able to participate in the class claim settlement to be able to receive their claim without pursuing litigation on their own. The Litigation Administration terms also still do not address Celsius's \$2 billion dollar claim against FTX, thanks to Simon not making that a priority in his negotiations to obtain a Board Observer seat for himself, despite it being one of the items on the table that Earn creditors had pledged their claims to help attain, with the understanding that it would be included in what would be fought for in negotiations.

It is also funny that item E cites a rights issue to creditors rather than a forced investment, since Simon alleges that he proposed the creation of Newco, which was thereafter forced on creditors. The subsequent bidding process that resulted ate up creditor money that many creditors complained about, who would have preferred a quick distribution of crypto over the legal fees and expenses involved in creating a company that many didn't even want to have explored as an option to begin with.

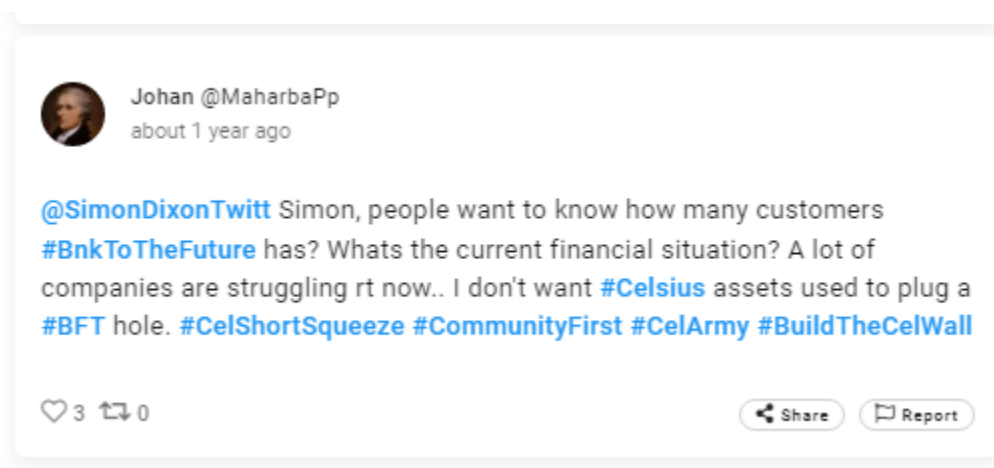
As a poll shows, the Newco board that Simon allegedly proposed and endorsed did not have the faith of many creditors, as a Reddit poll showed that more than half of creditors voted that they would sell their shares immediately:



Had the creation of Newco not happened, and the bidding process not been engaged in, then the Chapter 11 case might have come to a close much earlier. The fact that all the bids allegedly ended up very close to Simon's plan, I do not believe was a benefit to the estate, as a diversity of submissions might have produced more favourable final terms than a bunch of copycat options allegedly negotiating back and forth until the process was so drawn out that something was finally chosen.

In addition to benefiting from pursuing his self-interest through the various mechanisms afforded to him through the bankruptcy, Simon was also able to "escape the reputational cost and substantial scrutiny mandated by the bankruptcy process" mentioned by Lindsey Simon in her bankruptcy paper.

As one Celsius customer asked:



In fact, if Dixon and his company had been subject to such an examination, one would have discovered a number of factors that would have made his heavy involvement in the Celsius case questionable.



For one, his company's own token that functioned similarly to the CEL token he had spent so much time stating the worthlessness of was delisted from the Bitfinex exchange at the same time that CEL token was.

07:26 Dec 29, 2022

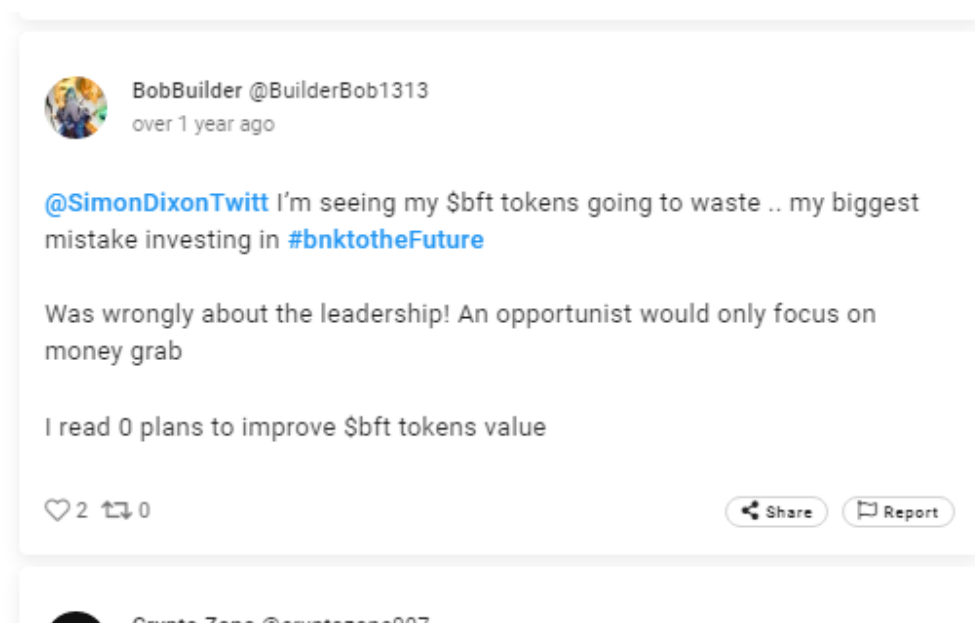
## Bitfinex Delisted 6 Tokens Including \$CEL



According to the official announcement, [Bitfinex](#) delisted Celsius Network ([\\$CEL](#)), Serum ([\\$SRM](#)), Pangolin ([\\$PNG](#)), BnkToTheFuture ([\\$BFT](#)), Bridge Mutual ([\\$BMT](#)) and Bitcoin SV ([\\$BSV](#)).

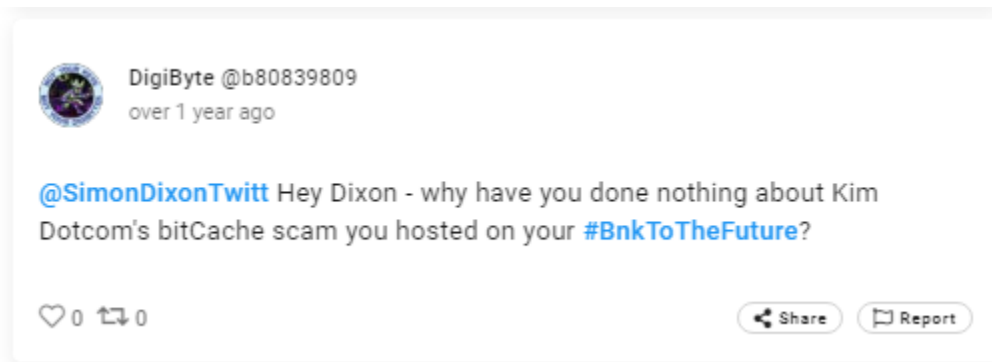
Officials said the decision has been made as a result of their continued monitoring of all listed projects and review of their listing qualifications.

One BNK to the Future customer even questioned him on twitter on his lack of plan to help his own token.



It's interesting that he focused on CEL token being a worthless security while his BFT token sank and was delisted at the same time. One might argue that the focus on CEL was a distraction to shift attention from his own failing token. And if he was so centered on arguing the worthlessness of CEL token, why had he spent so much time cultivating a similar token for his own company? And why didn't he focus on improving his own token's value?

Also during the Celsius bankruptcy, one investment product that BF had drawn investments from Bank to the Future's customers from, Kim Dotcom's Bitcache, failed to launch at the last minute and generated no revenue for investors, resulting in people questioning Simon's account about what he would do about the scam.



Simon and his wife were stated to have a 10% share in Bitcache.

As well, another company he had his customers invest in, Abra, was found to be insolvent after Celsius entered Chapter 11.



<https://www.sotwe.com/hashtag/BnkToTheFuture?lang=tr>



CryptoCexual @jammers2012

5 months ago

#SimonDixon about to lose even more Investors' money. #BNKtotheFuture can't sustain this much longer. Dixon has nearly burned thru all his inheritance from his rich daddy.



Simon Dixon @SimonDixonTwitt · Jan 20

#Genesis was an institutional crypto lending platform for other crypto lenders so here are the publicly disclosed Chapter 11 creditors. Expect #Gemini to file Chapter 11 with \$765m exposure. Also listed is #Abra \$30m & #Ripio \$27m. Full disclosure I am a shareholder in Abra.



Inferno @frank86883298

5 months ago

So @AbraGlobal is going down the toilet @billbarhydt . Get your money out before 7/31/23 folks

♡ 2 ↻ 0

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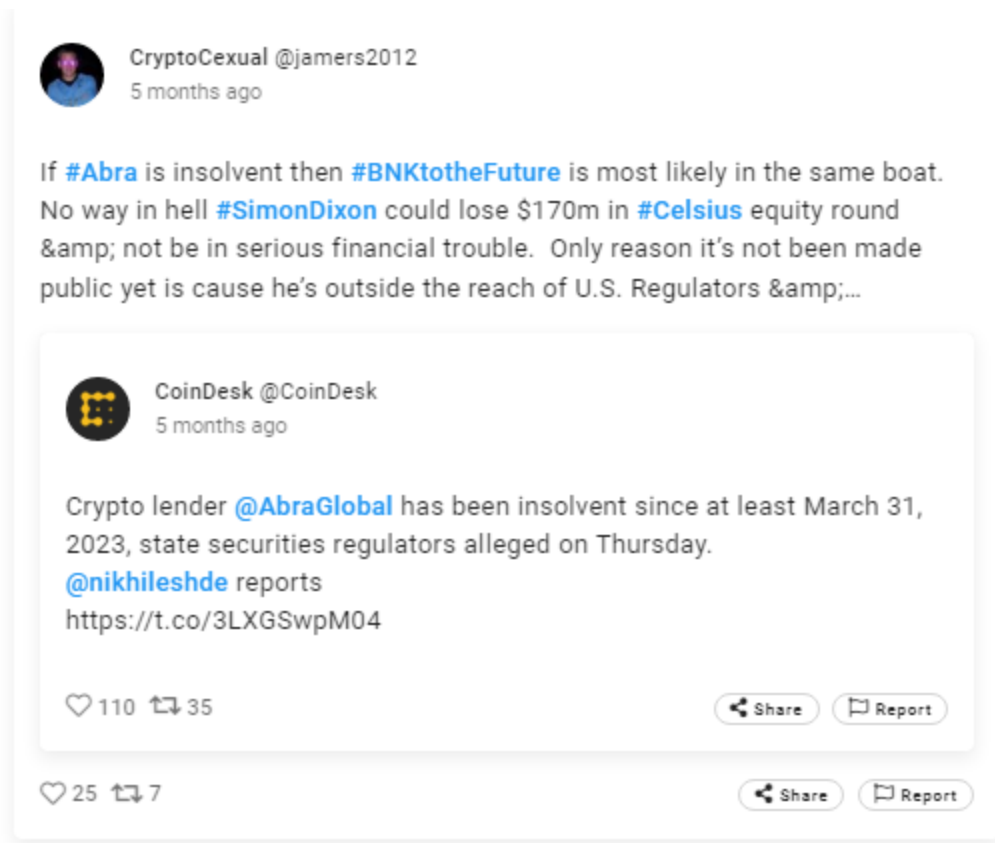
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Thus, since the time Simon first started going after Celsius, it had at least two other companies it had gotten its BNK to the Future customers to invest in experience problems similar to Celsius -- Abra, and Kim Dotcom.

Why was there no similar outcry from Simon regarding another crypto-lending agency that BNK to the Future invested in that was found to have been insolvent for months without disclosing it, and also likely to enter Chapter 11, nor one against Kim Dotcom's Bitcache that yielded no profits for his investors and was regarded as a scam by his investors? Why did he let these cases slide while so heavily going after Alex?

I bring these cases up because they provide evidence of Simon's neglect of his company's shareholders in choosing to focus on continuing to present CEL token as lacking value and Celsius's former directors as being scam artists, when BNK to the Future's customers were complaining about BNK to the Future's token being valueless, and about the directors of one of its other investment products (Kim Dotcom's Bitcache) as being a scam, on top of there being undisclosed problems happening with Abra, and Simon not doing anything to address these issues.

In fact, Simon's involvement in the Celsius case has only retrieved better outcomes for himself in terms of the amount he got back, as his series A investors were ruled to receive nothing.

So it would appear that Simon used BNK to the Future's money and legal counsel to better his own

situation, without producing tangible benefits for BNK to the Future shareholders -- even neglecting the cases outside of Celsius -- which calls into question the allocation of BNK to the Future's resources invested into the Celsius case.

It is only if we view the intangible benefits to BNK to the Future in the form of increased publicity for BNK to the Future through the continuous presentation of Simon as a crypto expert that he received through the high exposure the Celsius case brought to him and his company, and the improvement he brought to his public image and the company as its public face through presenting himself as a fighter for creditors and analyst of the Celsius case, as well as the sign-ups Simon obtained in his company's platform and goodwill for his company he developed through his continued outreach that he produced benefits for BNK to the Future, but the benefits were still clearly attached to his own self-interest, as it was in his own interest to draw attention away from the money he lost BNK to the Future's customers in telling them to invest in Celsius and providing them the platform to do so, and to cultivate a regular relationship with Celsius customers that would allow him to gain their trust through what some might see as deceptive means to onboard them onto his own platform.

It's worth nothing that Alex broke his silence on Simon's spaces to warn creditors that Simon was trying to steal his customers and buy his company on the cheap, and Simon fulfilled Alex's prediction, in later forcing the Debtors to consider his bid on Celsius, and using various other tactics including the GK8 bid to force the onboarding of Celsius's entire customer base onto the BNK to the Future platform, through his plan to force customers to buy the company back through individual shares that would be deposited and able to be sold and traded on the BNK to the Future platform, allegedly for Celsius customers' benefit.

One can see that, without Simon's careful presentation of his actions as being taken to benefit Celsius creditors and help the estate, all his actions were based on self-interest, and in some cases -- as was the case with the alleged negotiation regarding the Earn Ad Hoc's Committee's Reservation of Rights -- involved the willingness to slow down the Chapter 11 process through withholding his support of customers' "yes" vote for the plan in the interest of obtaining a Board Observer role and the perhaps potential third party release attached to it, were he not granted what he wanted.

It is for these reasons that I believe that it is imperative that Simon Dixon's substantial contribution claim be denied in full, to disallow the setting of a new precedent in Chapter 11 cases to allow bankruptcy grifters to find new ways to exploit bankruptcies for their own benefit.

These new practices of exploiting the public relations benefits attached to high profile cases, and tricking customers into pooling their claims, telling them that they are fighting for their rights, only to turn around and use them to obtain benefits for themselves, and even losing high value board members like Michael Arrington in the process, and being able to demand payment from an estate after-the fact, after presenting his actions all the time as being voluntary and out of his own pocket, should **not** be rewarded, and definitely not **awarded** from an estate that has already had its coffers robbed by those officially selected and authorized to do so.

Sincerely,

Cathy Lau  
Pro Se Creditor  
November 23, 2023